

## Message Text

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51

ACTION EA-14

INFO OCT-01 EUR-25 ADP-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15 STR-08

CEA-02 L-03 H-02 PA-03 PRS-01 USIA-12 FSE-00 ABF-01

INT-08 PM-07 DODE-00 RSR-01 /186 W  
----- 083904

R 290925 Z JUN 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 4931

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USEC MISSION BRUSSELS

USOECN MISSION PARIS

UNCLAS TOKYO 8244

PASS TREASURY AND FEDERAL RESERVE

E. O. 11652: N/ A

TAGS: EFIN, JA

SUBJ: TOKYO FOREX MARKET DEVELOPMENTS -- JUNE 25 THRU 29

1. DOLLAR IN SPOT MARKET STRENGTHENED THIS WEEK, WITH  
MAJOR RATE CLOSING AT YEN 265.30 ON FRI, UP .20 FROM MONDAY'S  
CLOSE. TRANSACTIONS DURING THE FIVE- DAY PERIOD WERE IN  
THE RANGE OF YEN 265.05 TO 265.30 PER DOLLAR. VOLUME IN THE  
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SPOT MARKET WAS CONSIDERABLY HEAVIER THAN IN PREVIOUS WEEKS, AVERAGING \$102 MIL PER DAY. TOTAL WEEKLY VOLUME WAS APPROX \$514 MIL. HEAVY DEMAND FOR DOLLARS PRIMARILY DUE TO THREE FACTORS: ( A) LARGE TRADING COMPANIES REQUIRED TO MAKE NORMAL HALF- YEARLY REMITTANCES OF COMMISSIONS, INTER- COMPANY CHARGE S, ETC., TO OVERSEAS AFFILIATES. THIS AMOUNTED TO NEARLY \$200 MIL. ( B) LARGE CAPITAL INVESTMENT IN ABU- DHABI OF \$180 MIL WAS MADE THIS WEEK BY ADMA, A JAPANESE HOLDING COMPANY FOR JOINT VENTURE BRITISH PETROELUM- JAPAN OIL DEVELOPMENT COMPANY. ( C) GOJ PAYMENT TO USG OF APPROX \$50 MIL FOR PORTIONS OF U. S. AIR BASES IN OKINAWA RETURNED TO JAPANESE GOVERNMENT. OFFICIAL REPORTS TOTAL DOLLAR SALES BY BOJ IN SPOT MARKET THIS WEEK OF SLIGHTLY LESS THAN \$400 MIL.

2. IN CONTRAST TO MOVEMENT IN SPOT MARKET, FORWARD DOLLAR RATES WEAKENED DURING FIVE- DAY PERIOD. THIS DUE TO FACT DOLLAR WEAKER ON EUROPEAN MARKETS AND SINCE UNUSUAL SPOT DEMAND BORE NO RELATION TO FUTURE DEMAND FOR DOLLARS. THREE- MONTH FORWARD ( SEP DELIVERY) CLOSED ON JUNE 29 AT YEN 261.00, DOWN YEN .90 FROM MONDAY' S CLOSE. SIX- MONTH FORWARD ( DEC DELIVERY) ALSO WEAKENED, CLOSING DOWN YEN 1.40 AT YEN 256.50. END OF WEEK CLOSE FOR THREE- MONTH FORWARD REPRESENTED DISCOUNT OF 6.36 PERCENT, WHILE THAT FOR SIX- MONTH FORWARD REPRESENTED DISCOUNT OF 6.54 PERCENT. TOTAL VOLUME IN THE FORWARD MARKET REGISTERED \$344 MIL., DOWN SOMEWHAT FROM PREVIOUS WEEK. TOTAL VOLUME IN THE SWAP MARKET WAS \$160 MIL.  
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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
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**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**TAGS:** EFIN, JA  
**To:** BERN  
BONN  
BRUSSELS  
CANBERRA  
EA  
LONDON  
LUXEMBOURG

SECSTATE WASHDC  
THE HAGUE

**Type:** TE

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